

## **“Emergency Agricultural Disaster Assistance Act of 2006”**

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**Summary:** The “Emergency Agricultural Disaster Assistance Act of 2006” provides emergency production loss and economic assistance to agricultural producers for losses incurred during the 2005 production year. The legislation is comprehensive and national in scope. It covers eligible losses from hurricanes, drought, flood, disease and other weather related causes.

The Secretary of Agriculture is provided authority to ensure a producer does not receive duplicative payments for the same losses under the provisions of the legislation or in conjunction with other federal disaster assistance programs.

Funding is provided on an emergency basis and does not require spending offsets from other programs. The legislation is currently being scored by the Congressional Budget Office.

**Title I:** The legislation provides crop production loss assistance in a manner similar to previous disaster programs. The loss threshold for eligibility is 35 percent and the payment rate is set at 50 percent of the established price for the crop. Unlike recent agricultural disaster programs, the 95 percent crop value cap and deduction for crop insurance indemnities have been removed.

Quality loss assistance is based on the actual, local market discounts suffered by producers based on their crop sales receipts or as established by the State Farm Service Agency Committee. Payments are to be made on 65 percent of the crop quantity subject to quality discounts at a payment rate equal to 50 percent of the market loss sustained by the producer.

The legislation also provides for a Livestock Compensation Program for producers in designated disaster counties for their added costs of procuring livestock feed.

The legislation contains specific disaster program assistance for sugarcane and sugarbeet losses. It provides assistance to specialty crop, nursery crop, dairy and cottonseed producers in hurricane affected counties. It also provides economic assistance to producers who have lost the use of the farm property due to long term flooding in the Devils Lake region.

**Title II:** The legislation provides supplemental nutrition and economic disaster assistance in addition to the production loss payments. Assistance under this title is designed to assist farmers and ranchers throughout the nation who experienced rapidly escalating production input costs during the 2005 production year, in large part due to the national effects of the hurricane disasters.

All producers of program crops will receive a supplemental direct payment equal to 30 percent of the direct payment paid for the 2005 crop under the provisions of the 2002 Farm Bill. In addition, States will receive Section 32 grants from USDA to provide agricultural market and economic assistance, including the authority to

make direct payments to producers. A specialty crop and livestock sector priority is established in the legislation for these grants.

**Title III:** Establishes a tree assistance program to aid producers who suffered tree losses in hurricane affected counties.

**Title IV:** Provides authority for the National Resource Conservation Service to provide financial and technical assistance to producers in hurricane affected counties under the emergency watershed protection program.

**Title V:** Provides \$40 million in supplemental funding for the Farm Service Agency to expedite the implementation and delivery of the disaster assistance programs contained in the legislation.

**Title VI:** Provides authority to address immunization needs and environmental regulations to expedite hurricane relief efforts.

**Title VII:** Designates that the amounts provided for assistance under the legislations are designated as an emergency requirement.

*March 14, 2006*